



**‘BELOW MARKET INTEREST RATE’ (BMIR)
HOME IMPROVEMENT LOAN PROGRAM**

‘FACT SHEET’

BMIR HOME IMPROVEMENT LOAN PROGRAM-A BRIEF DESCRIPTION: The City of Tucson has allocated funds from its Federal CDBG Program to fund the **BMIR Home Improvement Loan Program**. This program offers home improvement loans as low as 0% interest rate to qualified homeowners with limited incomes. An example of how the program works is if the current market rate for home improvements loan is 10.5%, the interest rate offered to qualified borrowers applying through this program could be as low as 0%. Depending on actual cost of credit, homeowner’s creditworthiness, and loan amount/term, actual interest rate might be slightly higher than 0%. In addition, and regardless of fluctuations in the market rate, the City will continue to buy down the interest rate to low and moderate and very low median income qualified borrowers. Qualified borrowers with incomes up to and including 80% of the median shall receive a reduced interest rate.

ELIGIBILITY CRITERIA:

In order to be eligible for financial assistance under the **BMIR Home Improvement Loan Program**, the following criteria must be met:

- A. The applicant must own and occupy the property to be repaired and the property must be located within the Tucson City limits. Mobile/modular homes are eligible for the program if they are permanently affixed to the land.
- B. Wells Fargo Bank, utilizing the bank’s guidelines and qualifying measures must approve applicants for a loan.
- C. Real estate taxes, mortgage payments and assessments need to be current and the property must be free of any delinquent liens/encumbrances.
- D. An applicant must be within the following established HUD area median income limits of 80%, which are subject to change, for the family sizes given below:

Family Size	Income	Family Size	Income
1	\$30,800	5	\$47,500
2	\$35,200	6	\$51,050
3	\$39,600	7	\$54,550
4	\$44,000	8	\$58,100

- E. Applicant cannot have more than \$20,000.00 in liquid assets, which will not be used to fund the rehabilitation work.

BMIR HOME IMPROVEMENT LOAN PROGRAM BENEFITS/GUIDELINES/ELIGIBLE REPAIRS: The minimum loan amount eligible for subsidy is \$5,000.00 with the maximum subsidized loan amount capped at \$40,000.00, all loans must be secured by real property. Loans from \$5,000.00 to \$15,000.00 will be allowed a maximum interest subsidy payment equal to 50% of the loan amount. Loans over \$15,000.00 to \$40,000.00 will be allowed a maximum interest subsidy payment equal to 33.33% of the loan amount or \$7,500.00, whichever is greater. Loan funds must be used for eligible rehabilitation work. No refinancing of existing debt is permitted. Applicant will identify the proposed rehabilitation work to be preformed with the proceeds. In addition to the lien securing the note to Wells Fargo Bank, applicant will execute a lien in the amount of the interest subsidy paid by the Program; to the City of Tucson; for a period of ten years and reducing at the rate of 10% per annum. Applicants may use the loans to finance a wide array of improvements, including roof replacement, room additions for overcrowded conditions (upon approval), upgrading heating and cooling systems, painting, plumbing, electrical repairs, fencing or block wall construction, insulation, and installation of energy efficient windows and energy-saving appliances. Pools and spas are ineligible under the program. Assistance will be provided to homeowners by City staff to determine what work is eligible under the **BMIR Home Improvement Loan Program**.

The City of Tucson will also assist homeowners with the completion and submission of loan applications and supporting documents. In addition, the City will provide the qualified homeowners with counseling on how to select contractors and how to work with contractors. Program staff will conduct a final inspection to ensure that the work was completed. City of Tucson, Development Services, will issue and clear all required permits for code compliance.

For additional information or an application write or call:

City of Tucson - CSD/CDD
BMIR HOME IMPROVEMENT LOAN PROGRAM
Santa Rita Bldg. – 310 N. Commerce Park Loop, Tucson, AZ 85745
Telephone No. 791-4636

“SI DESEA QUE SE LE EXPLIQUE EN ESPAÑOL ESTE DOCUMENTO, POR FAVOR LLAME AL TELEFONO 791-4636. CUANDO LLAME, POR FAVOR INDIQUE EL TITULO Y TEMA DEL DOCUMENTO. GRACIAS.”